BALLAS PELECANOS LAW

The New Code of Alternative Dispute Resolution

I) Introduction

1. The Path to Enactment

On October 15, 2026, the Alternative Dispute Resolution Code (Law No. 5344/2026, Government Gazette A' 168/October 16, 2026) was enacted by the Plenary Session of the Hellenic Parliament, following the public consultation on the bill that took place from September 9 to 24. Its approval marks a particularly important step toward the further development of alternative dispute resolution methods in Greece.

It establishes a **unified**, modern legislative framework governing mediation, arbitration, and judicial mediation, which **repeals** the provisions on arbitration, mediation, and judicial mediation, as well as the relevant provisions of Law 4640/2019 on mediation and Law 5016/2023 on international commercial arbitration. Furthermore, **it consolidates** the scattered legislative provisions, adapting them -through substantive reforms- to contemporary needs. This framework provides for clearer regulations, improved procedures, and expanded opportunities for out-of-court dispute resolution, serving the needs of citizens, professionals, and businesses.

2. Structure of the New Code

The New Code is divided into **9 parts**, the most important of which are as follows: (a) **general provisions**, in particular the scope, definitions, and general principles governing all alternative dispute resolution methods, as well as the institution of mandatory pre-litigation recourse to alternative dispute resolution; (b) detailed provisions regarding **arbitration**, with reference to the corresponding articles of the UNCITRAL Model Law on International Commercial Arbitration, (c) provisions regarding **mediation**, with particular reference to specific forms of mediation, (d) provisions regarding **judicial mediation**, as well as (e) **amendments** to specific legislation, particularly provisions of the Civil Code and the Code of Civil Procedure.

3. Objectives

The central objective of this new legislation is to **resolve disputes more quickly, economically, and effectively**, with **less burden on the parties and by relieving the courts of congestion**. Alternative dispute resolution methods are given a strengthened institutional role, promoting dialogue, the finding of

Ballas, Pelecanos & Associates L.P.C.
A: 10 Solonos Street, Kolonaki, 106 73 Athens, Greece. T: +30 210 36 25 943 F: +30 210 36 47 925
M: central@balpel.gr W: ballas-pelecanos.com

mutually acceptable solutions, and **legal certainty**, while functioning as a whole to **complement** judicial proceedings.

II) Key Amendments and Innovations

The main changes include, among other things:

- the expansion of the types of disputes for which a mandatory preliminary mediation session is required and the establishment of a specific procedure for inviting parties to such a session,
- the modernization of arbitration in line with international arbitration standards,
- the introduction of new forms of mediation,
- the enhancement of judicial mediation as an institution.

1. Expansion of the Scope of Disputes Subject to a Mandatory Initial Mediation Session

The new Code provides for **a mandatory initial mediation session** (Article 15) or, under the conditions set forth by law, court-ordered mediation, for specific categories of disputes. The former term "mandatory initial mediation session" is now part of the "mandatory pretrial procedure." With regard to the scope of application of the provision in question, the mandatory initial mediation session is provided for in:

- **family disputes**, in accordance with the specific provisions and exceptions set forth in Article 15,
- **property** disputes, namely those arising from leases, horizontal or vertical property ownership, fees, and publications or radio and television broadcasts, subject to the specific exceptions set forth in Article 15,
- **inheritance** disputes concerning certain issues of augmentation and substitution, order of succession, statutory share, vacant inheritance, and actions to determine the estate,
- disputes **subject to ordinary** jurisdiction:
  (a) a single-judge court of first instance when the value of the subject matter **exceeds 20,000** euros
  (b) Multi-judge Court of First Instance,
- **corporate** disputes and disputes concerning the dissolution of a company and the withdrawal or exclusion of a partner,
- specific **land registry** disputes between private individuals and the State, local government entities, or public legal entities, for which only an introductory mediation session is provided.

Overall, this represents an **expansion** of the types of disputes falling within the scope of the new provision compared to the previous Law 4640/2019, by **lowering the monetary threshold** from €30,000 to €20,000 for certain disputes in ordinary proceedings and by **adding specific categories** of disputes.

The mandatory nature of the process, however, pertains to **participation** in the prescribed preliminary procedure and **not to reaching a settlement**; the parties may **disagree** and, consequently, bring the matter before the competent court. At the same time, the parties may still request an interim injunction or a temporary order in accordance with the provisions of civil procedure; furthermore, if a valid mediation or judicial mediation clause exists between them, compliance with the procedure set forth in the clause constitutes a mandatory pre-trial remedy (Article 15, paras. 3, 4).

2. New Procedure, Deadlines, and Penalties

The new Code sets forth the procedure for inviting the other party to the introductory session. As a general rule, the initiating party must invite the other party to an introductory session of mediation or judicial mediation (Article 17). The recipient of the invitation has a deadline of

- 15 days to state in writing whether they accept the proposed method, or
- 30 days, if they reside or are staying abroad.

If no agreement is reached regarding the method or no response is provided within the prescribed time limit, an introductory mediation session follows, which must be completed within 30 days of the expiration of the corresponding response period. To proceed with the hearing of the lawsuit, the required documents proving compliance with the pretrial procedure must also be submitted. However, if an introductory mediation or judicial mediation session has not taken place in accordance with the provisions of the law, **the hearing of the lawsuit** before the civil court is deemed inadmissible (Article 16).

With regard to the imposition of monetary penalties (Article 18):

- provision is made **for the imposition of a monetary penalty** ranging from 100 to 1,000 euros on a party who, despite having been lawfully summoned, **unjustifiably refuses to appear or fails to attend** the preliminary hearing.
- For certain land registry disputes, the minimum fine is 500 euros.

The penalty is not imposed automatically, but following an assessment by the court of **(a)** the value of the dispute, **(b)** the conduct of the parties, and **(c)** the specific circumstances of the case, by the court; moreover, unjustified absence may also be taken into account when determining court costs.

- It is also provided that the **possibility of awarding court costs up to twice** the usual amount when a party rejects a mediator's settlement proposal and the subsequent court decision substantially coincides with its content, subject to the conditions set forth by law.

3. Modernization and Consolidation of the Arbitration Framework

At the same time, the new Code **simplifies** and **unifies** the legal framework for domestic and international arbitration, drawing on the international standards of the UNCITRAL Model Law. It regulates the **constitution** of arbitral tribunals, the **conduct** of proceedings, and the challenge and recognition of arbitral awards, while introducing rules on third-party **funding** of arbitration, **transparency**, the avoidance of conflicts of interest, and the operation of institutional arbitration bodies.

4. Reform of the Framework for Mediation

At the same time, the new framework substantially reforms the mediation process and strengthens the role of the mediator. Of particular importance is the ability to submit a proposal for resolving the dispute, at the request of the parties, which aims to increase the likelihood of reaching an agreement.

The Code extends the principle of consensual conflict resolution to **more specific forms** of mediation. Specifically:

- In **family** mediation (Articles 90 et seq.), an optional procedure called **"The Child's Voice"** is introduced, in which the minor child, in appropriate cases depending on his or her age and maturity,

may express their views through a special session organized by a qualified family mediator with the assistance of a psychologist, with the primary goal of **protecting the child's best interests** and **hearing** their **views** on matters that directly concern them.

- In **land** registry mediation (Articles 96 et seq.), a special procedure is established for certain cases involving real property of unknown ownership, particularly in cases of recognition of ownership based on acquisitive prescription. Provided that the Greek State participates and does not dispute the private individual's right, it is possible to reach an agreement leading to **the correction of the relevant cadastral registration** without the need for protracted litigation.
- In **school** mediation (Articles 102 et seq.), trained students participate in the process and help their peers manage disagreements and conflicts.
- In **university** mediation (Articles 112 et seq.), the student mediator at a Higher Education Institution (HEI), acting as a neutral third party, assists students from the same HEI who are in conflict in finding a mutually acceptable solution
- In **commercial** mediation (Articles 120 et seq.), the mediator assists in resolving commercial and corporate disputes between businesses or professionals.

5. Upgrading Judicial Mediation

Under the new Code**, court-supervised mediation** is provided with an **independent and comprehensive** legal framework designed to ensure its effective use in dispute resolution. One of the most significant changes is that the introductory session may concern either mediation or court-supervised mediation, in accordance with the established conditions, with detailed provisions, among other things, regarding the judicial mediation **clause** and the **conduct** of the proceedings, such as the **settlement proposal** by the judge-mediator.

6. The possibility of referring a question for a preliminary ruling on the interpretation of provisions of Union law

In addition, a particularly significant **innovation** of the new Code is undoubtedly the **ability** of the arbitral tribunal to request that the Supreme Court, as the competent court under Article 27(2), to refer **a preliminary question** to the Court of Justice of the European Union, in accordance with Article 267 TFEU. This option concerns questions of interpretation of provisions of Union law that form part of the public policy of the Union and may affect the review of the arbitral award to be rendered (Article 55).

This provision is of particular interest in light of the case law of the Court of Justice of the European Union (CJEU) regarding the relationship between arbitration and the autonomy of the EU legal order - for example, the Achmea case (CJEU, C-284/16). The new mechanism, therefore, appears to aim at strengthening the possibility of EU judicial review in matters arising during the arbitration process, and in particular at reducing the risk of arbitration awards being set aside due to a violation of EU public policy, with the aim of preserving the unity of the EU acquis and, at the same time, thereby strengthening Greece's position as a center - including an international one- for arbitration.

III) Conclusion

In conclusion, it must be noted that Law No. 5344/2026 constitutes a significant reform of the Greek legal system, as it elevates the status of mediation, arbitration, and judicial mediation, collectively, within the system of the administration of justice. The establishment of uniform rules, the expansion of cases requiring

a mandatory preliminary session, the reform of arbitration, and the strengthening of court-based mediation create a new framework for the “management” of private disputes, so to speak.

As for the **effective date** of the new provisions, implementation will be **phased in.** Specifically:

- **October 16, 2026:** The new Code enters into force, subject to the later entry into force of specific provisions.
- **January 1, 2027:** The new arbitration framework and other specifically designated provisions take effect.
- **March 1, 2027:** Implementation of the mandatory pre-trial procedure and most of the new provisions on mediation.
- **September 16, 2027:** Entry into force of the provisions on judicial mediation.

In any case, of course, the actual outcome of the reform will be determined by how the new regulatory framework is implemented in practice: whether the new institutions will truly offer faster, more cost-effective, and more efficient solutions, while at the same time ensuring the autonomy of the parties and their right to judicial protection. It is already evident, however, that alternative dispute resolution is now called upon to play a more substantial role in the modern administration of justice, with a focus on dialogue, effectiveness, and trust in the institutions.